

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
APRIL 14, 2005

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 30 South Meridian Street, Suite 300, Indianapolis, Indiana. Present from the Department were Charles W. Phillips, Director; Philip Goddard, Deputy Director, Chief Legal Counsel and Secretary; James M. Cooper, Deputy Director, Depository Division and Acting Secretary; Chuck T. Stumpf, Deputy Director, Administration Division; Kirk Schreiber, Senior Bank Analyst; Gina R. Williams, Supervisor, Administration Division; John Schroeder, Deputy Director, Non-Depository Division and Associate Counsel and Ronda Bailey, Administrative Assistant. Representing Independent Alliance Bank, Inc. were: Mike Marhenke, President and CEO of Grabill Bancorp, Travis Holdman, President and CEO of MarBanc Financial Corporation and Mike Renninger, CEO of Renninger and Associates. Representing Symphony Bank were: Christopher Teeter, proposed Director; Steve Tolen, proposed President, Chief Executive Officer, and Director; Walter Brown, proposed Chief Financial Officer; Tim Ogburn, proposed Executive Vice President and Chief Lending Officer; and Julie Kern, proposed Executive Vice President. Also attending was Michael R. Brown, Vice President of Executive Media.

I. EXECUTIVE SESSION:

John Schroeder opened the session that was authorized by IC §§ 5-14-1.5-6.1 (b)(2)(B), (b)(6)(A), and (b)(7) for purposes of discussing the examination results and business practices of, and potential administrative action against, Payday Today, Inc., Merrillville, Lake County, Indiana, which is confidential as provided in IC § 28-1-2-30.

II. PUBLIC SESSION:

- A.) Members Present: David A. Bochnowski, Chairman; David D. Baer, Vice Chairman; Joe Pierce, Richard Rice and Paul Sweeney. Michael Davis was absent.
- B.) Date of next meeting: May 12, 2005 @ 9:00 a.m. at the office of The Department of Financial Institutions, 30 South Meridian Street, Suite 300, Indianapolis, Indiana.
- C.) A motion was made for approval of the minutes of the meeting held February 10, 2005, by Mr. Pierce and seconded by Mr. Sweeney. The minutes were unanimously approved.
- D.) No action was taken pursuant to the executive session, as the information was advisory only.
- E.) **DIVISION OF BANK AND TRUST COMPANIES:**

1. Independent Alliance Bank, Inc., Fort Wayne, Allen County, Indiana

Mr. Kirk Schreiber, Senior Bank Analyst presented the application. Mr. Schreiber introduced Mike Marhenke, President and CEO of Grabill Bancorp, Travis Holdman, President and CEO of MarBanc Financial Corporation and Mike Renninger, CEO of Renninger and Associates representing the applicant. Mr. Schreiber informed the Members that Independent Alliance Bank, Inc., Fort Wayne, Indiana ("IAB") has filed an application to acquire 100% of Grabill Bancorp, Grabill, Indiana ("Grabill") and MarBanc Financial Corporation, Markle, Indiana (MarBanc") pursuant to IC 28-2-14.

Grabill and MarBanc entered into an Agreement and Plan of Merger dated November 22, 2004. Grabill and MarBanc formed IAB solely for the purpose of effecting the merger. IAB is jointly owned by Grabill and MarBanc. At the effective time of the merger Grabill and MarBanc each will be merged with and into IAB. IAB will be the surviving corporation.

Grabill Bank and Markle Bank, the subsidiary banks, will not be merged and simply become subsidiary banks of IAB.

The acquisition consists of Grabill shareholders who own fewer than five (5) shares of Grabill common stock or are not an Indiana resident shall receive \$7,900 in cash for each share of Grabill common stock. Grabill shareholders who own five (5) shares or more and who are Indiana residents shall receive 116.1 shares of IAB common stock for each share of Grabill common stock. In addition, MarBanc shareholders who own fewer than two hundred (200) shares of MarBanc common stock or are not an Indiana resident shall receive \$71.50 in cash for each share of MarBanc common stock. MarBanc shareholders who own two hundred (200) shares or more and who are Indiana residents shall receive 1 share of IAB common stock for each share of MarBanc common stock.

It is estimated that IAB will acquire 685 shares of Grabill and 67,054 shares of MarBanc for cash. The total estimated cost of the stock purchase is approximately \$10,206,000. IAB expects to acquire 8,177 shares of Grabill and 475,584 shares of MarBanc through the stock exchange portion of the proposed transaction. A summary of the proposed transaction could be found on pages 6 and 7 of their outline.

Pro forma financial statements as of December 31, 2004, reflect a Tier 1 leverage capital ratio of 7.99% with total assets of approximately \$746 million and total equity capital of \$65 million.

Both Grabill and MarBanc received satisfactory BOPEC ratings at their most recent holding company inspections.

Grabill Bank and Markle Bank received Satisfactory CRA ratings at their most recent examinations for compliance with the Community Reinvestment Act.

Upon completion of the merger, the board of directors will consist of five (5) directors from Grabill and three (3) directors from MarBanc. Brent Clifton, the current Vice Chairman and Executive Vice President of Grabill will serve as Chairman of the Board of IAB. Travis Holdman, who is currently President and Chief Executive Officer of MarBanc, will serve as the initial Vice Chairman and Chief Executive Officer of IAB. And Mike Marhenke, the current President and Chief Executive Officer of Grabill, will serve as President of IAB.

The required publications were made and no negative factors or comments were received by the Federal Reserve Bank of Chicago or the Department on this acquisition.

The Federal Reserve Bank of Chicago approved the formation of IAB and the acquisition of Grabill and MarBanc on March 29, 2005.

Mr. Schreiber informed the Members that it was opinion of the staff that the applicant had satisfactorily met the requirements of IC 28-2-14 and therefore recommended the approval of the application.

After a brief discussion, a motion for approval of the application was made by Mr. Baer and seconded by Mr. Pierce. **The application was unanimously approved.**

2. Symphony Bank, Indianapolis, Marion County, Indiana

Ms. Gina Williams, Senior Bank Analyst, presented the application. The following individuals representing Symphony Bank (the "Bank") were introduced: Christopher Teeter, proposed director; Steve Tolen, proposed president, chief executive officer, and director; Walter Brown, proposed chief financial officer; Tim Ogburn, proposed executive vice president and chief lending officer; and Julie Kern, proposed executive vice president. Also introduced were John Tanselle and Larry Tomlin from the law firm of Krieg DeVault.

Ms. Williams informed the Members of the Department they were being asked to approve a state-chartered commercial bank to be known as Symphony Bank located at 3737 East 96th Street, Indianapolis, Indiana. If approved, the Bank would be supervised and regulated by the Department and the Federal Deposit Insurance Corporation.

The Bank's proposed holding company, Symphony Bancorp ("Bancorp"), is in the process of applying to the Federal Reserve Bank of Chicago for approval to become a bank holding company. Bancorp is offering a minimum 1,500,000 shares of its common stock at a purchase price of \$10.00 per share pursuant to a private placement offering. The offering commenced on October 18, 2004 and expires on April 15, 2005. The holding company will use a majority of the proceeds of the offering to provide the Bank with its initial capital. The organizers, directors, and executive officers anticipate purchasing 303,000 shares of the common stock which represents approximately 20% of the outstanding shares if the minimum number of shares is sold.

Ms. Williams informed the Members that the Bank's primary trade area will be the northern part of Indianapolis and the southern half of Hamilton County, particularly the cities of Carmel, Fishers, and Westfield. Consumer households with an annual income over \$75,000 or funds of \$100,000 to \$1 million will be targeted. The Bank's secondary target market will be groups of employees or members of affinity groups. Affinity groups are individuals who share a common interest like a school or social group. The Bank's strategy is to develop a sales and service culture and to provide its staff with state of the art technology. It will differentiate itself primarily through experienced staff, ability to aggregate financial services for customers, and provide bundle pricing for a combination of banking services.

The Bank's main office will be a newly constructed 10,000 square foot building. Amenities will include covered and extra-wide parking spaces and heated sidewalks and a drive-through ATM tailored for oversized vehicles such as SUVs. Until the main office is completed, the Bank will operate out of a leased facility at 9465 Counselors Row, Suite 112, Indianapolis, Indiana.

Included in the application for charter approval is a notification of the Bank's intent to form a wholly-owned insurance agency, Symphony Insurance Services, Inc. When operational, the subsidiary will sell general lines of insurance as agent or broker.

Ms. Williams informed the Members the application approval factors for the formation of a commercial bank in IC 28-11-5-4 were listed on page 23 of their outline. The statute states the Department should investigate and consider the following:

Factor #1 The financial standing and character of the incorporators, organizers, directors, principal shareholders, and controlling corporation.

The individual financial statement and biographical background of each was investigated. No unfavorable items were noted. The FDIC conducts its own background investigation including FBI criminal checks. Larry Kowalski of the FDIC indicated there were no unfavorable responses as a result of the FDIC's investigation.

The Board of Directors will consist of one insider, Steve Tolen, the President of the Bank, and nine outside directors, including Mr. Teeter. The directors and other organizers are recognized and established individuals in their respective communities.

Profiles of these individuals can be found on pages 10 through 18 of your outline.

The financial standing and character of the incorporator, organizers, directors, principal shareholder, and controlling corporation were considered acceptable.

Factor #2 The character, qualifications, and experience of the officers and directors of the proposed financial institution.

Steve Tolen will serve as President and Chief Executive Officer. Mr. Tolen was president of Mid-States Corporate Federal Credit Union, which had deposits totaling more than \$3 billion. Prior to that, he was president and CEO of Indiana Corporate Federal Credit Union in Indianapolis.

Walter Brown will serve as Chief Financial Officer. Mr. Brown was a partner of Crowe, Chizek and Company, a public accounting and consulting firm specializing in services to financial institutions. He brings more than 30 years' experience in banking and regulatory issues to the Bank.

Timothy Ogburn will serve as Executive Vice President and Chief Lending Officer. Mr. Ogburn worked for Fifth Third Bank in Evansville, Indiana where he was vice president/commercial real estate relationship manager. He also worked at Wachovia Bank and Paragon Commercial Bank in North Carolina.

Julie Kern will serve as Executive Vice President of Retail Banking. Mrs. Kern was with First Merchants Bank, Muncie, Indiana where she served as vice president and regional manager of the Hamilton County operations.

A detailed description of these individuals business background is the Members' outline. The officers and directors are all established businessmen or women in the community.

The character, qualification, and experience of each officer and director of the proposed financial institution are considered acceptable.

Factor #3 The future earnings prospects for the proposed financial institution in the community in which the financial institution is to be established.

Anticipated balance sheet and income projections can be found on pages 20 and 21 of your outline. The projections were prepared by Steve Tolen and Walt Brown based on the Bank's proposed target market area and business plan. Crowe, Chizek, and Company, the Bank's external auditor, reviewed the projections for reasonableness.

The projections reflect the opening of a branch in year 2. The branch will be a 6,000 square foot leased facility at a square foot lease rate of \$21.00. The Bank will be required to file a branch application with the Department prior to opening the branch.

One assumption of major significance is that the organizers will be able to raise at least \$15 million in the private placement offering.

The projections appear reasonable based on the assumptions utilized and the proposed marketing plan of the Bank.

Factor #4 The adequacy of the financial institution's proposed capital.

The proposed capital of the Bank, as detailed on page 9 of the outline, is considered adequate. The FDIC Statement of Policy and Application for Deposit Insurance states a new depository institution should have an initial capital to total estimated assets of at least 8% at the end of the 3rd year. Pro forma financial information projects the Tier 1 capital ratio to be 12% at the end of the 3rd year.

Ms. Williams informed the Members the Federal Deposit Insurance Corporation approved the application for deposit insurance for the Bank effective April 8th.

Based on the investigation by the Department, the staff recommends approval of the formation of a state chartered commercial bank known as Symphony Bank headquartered in Indianapolis, Indiana, subject to the following conditions:

1. The Bank has, prior to opening, a minimum paid-in capital of \$13,960,000.
2. During the first three years of operation the Bank shall maintain no less than an eight percent (8%) tier 1 capital ratio.
3. The Bank shall operate within the parameters of the submitted business plan. Any material changes from the submitted plan during the first three (3) years of organization shall require the prior written approval of the Director.
4. Any changes in the proposed executive officers, directors or principal shareholders in the first three (3) years of operation shall be approved by the Director.
5. The Bank will not pay any dividends to shareholders for a period of three (3) years without the prior written approval of the Director.
6. The Bank will have an audit of its financial statements annually for the first three (3) years of operation conducted by a public accountant who has been approved by the Department. The Bank must furnish a copy of any reports by the independent auditor, including any management letters, and notify the Department when a change in its independent auditor occurs.
7. The Bank must be incorporated within six (6) months from the date of Department approval or the application is required to be refiled.
8. The Bank shall submit to the Department monthly financial statements of the Bank's operations including a statement of condition and statement of income until notified otherwise.

Chairman Bochnowski commented about the Bank's allowance for loan and lease loss being at 1.50% of total loans. Walt Brown commented that as a de novo institution they had a little more leeway on their reserve since they didn't have any historical losses yet and believed the 1.50% was appropriate due to the percentage of commercial loans anticipated to be in the loan portfolio.

Member Sweeney asked for an update on the progress of the capital offering since the offering was to expire April 15, 2005. Mr. Tolen stated that as of then they had raised approximately \$11.6 million and would have \$15.5 million by April 15 based on commitments outstanding.

With no further questions, the Members then voted on each of the approval factors.

Factor #1 was unanimously approved. There were no unfavorable votes.

Factor #2 was unanimously approved. There were no unfavorable votes.

Factor #3 was unanimously approved. There were no unfavorable votes.

Factor #4 was unanimously approved. There were no unfavorable votes.

A motion for approval of the application was made by Mr. Pierce and seconded by Mr. Baer.
The application was unanimously approved.

F.) DIRECTOR'S COMMENTS AND REQUESTS :

1. Deputy Director Chuck Stumpf presented to the Members for approval all fee schedules for the fiscal year ending June 30, 2006. The Department is proposing to revise the fee schedules for the Bank and Non-Depository Divisions. The Credit Union Division fee schedule will remain the same.

The major changes recommended are a 3% increase in bank fees; a reduction in volume fees from \$16 to \$12; and new/revised fee proposals for other Non-Depository Division fees.

The proposed revisions to the specific fee schedules are as follows:

1. A 3% increase in bank fees resulting in a revenue increase of approximately \$87,500.

The impact of this increase will be minimal, as it will be offset by the reduction in the volume free rate for those institutions paying that fee. The bank fees were increased 15W% in FY2005 to replace the revenue decrease caused by the loss of the Fifth Third and First Merchants charters.
2. A \$4 reduction in the volume fee from \$16 to \$12 will result in a revenue loss of approximately \$730,000. The volume fee was last changed in FY 2003 when it was increased from \$15 to \$16.
3. Other Fees Non-Depository Division:
 - a. Guaranteed Auto Protection (GAP) Plan application fee will increase from \$500 to \$1,000 and a new renewal fee will be added that is \$500 to \$1,000 an a new renewal fee will be added that is \$500 plus \$10 per approved dealer capped at a new renewal fee will be added that is \$500 plus per approved dealer capped at a maximum of \$2,000. These changes will generate additional revenue of approximately \$49,000.
 - b. Licensed Lender's application fee and renewal fee will both be increased from \$500 to \$800. The daily exam fee will be increased from \$200 to \$400. These changes will generate additional revenue of approximately \$52,000. Non-Lender's daily exam fee will be increased from \$200 to \$400. This is not projected to create additional revenue as it is offset by the volume fee paid by the non-lender.
 - c. Rental Purchase fees will change by adding a new \$250 application fee, increasing the renewal fee from \$100 to \$200, and increasing the daily exam fee

from \$100 to \$400. These changes will generate additional revenue of approximately \$15,800.

- d. Budget Service fees will change by adding a new application fee of \$250, increasing the renewal fee from \$100 to \$250, and increasing the daily exam fee from \$200 to \$400. These changes will result in additional revenue of approximately \$2,000.
- e. Pawnbroking fees will change by increasing the application fee from \$500 to \$1,000 and adding a new renewal fee of \$1,000. These changes will result in additional revenue of approximately \$35,000.
- f. Money Transmitter fees will change by adding a new application fee of \$1,000, and by increasing the renewal fee from \$200 to \$500 plus \$10 (\$5 currently) per agent capped at a maximum of \$2,000 (\$1,000 currently). These changes will generate additional revenues of approximately \$31,640.
- g. Check Cashier fees will change by adding a new application fee of \$250, increasing the renewal fee from \$200 to \$250, and by increasing the daily exam fee from \$200 to \$400. These changes will generate additional fee of approximately \$36,300.

A motion for approval of the fee schedules for the FYE June 30, 2006 was made by Mr. Rice and seconded by Mr. Sweeney. **The motion was unanimously approved.**

2. James Cooper presented to the Members for approval the policy regarding the Purchase and Retention of U.S. Government Sponsored Entity Equity Securities. A motion was made by Mr. Rice and seconded by Mr. Baer. **The policy was unanimously approved.**

3. **German American Bank, Jasper, Dubois County, Indiana**

The bank notified the Department that they closed the branch banking office that was known as the "Huntington Branch" located at 7240 South U.S. 231, Huntington, Dubois County, Indiana. The branch closed on March 5, 2005 @ 5:00 p.m. **This item was for informational purposes only.**

G.) **ACTIONS BY DELEGATED AUTHORITY:**

1. **1ST SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA**

The bank applied to the Department for approval to relocate a branch office from **Haggard College Center, Saint Mary's College, Notre Dame, St. Joseph County, Indiana** to **The Student Center, Room 157, Saint Mary's College, Notre Dame, St. Joseph County, Indiana**. The application was received on January 12, 2005. The branch will continue to be known as the **Saint Mary's College Branch**. At the request of the Saint Mary's College administration, the bank intends to relocate its branch to a newly constructed student center. The Student Center is being constructed to house all businesses operating on campus. The bank will lease the suite from Saint Mary's College with an annual rental of \$7,800. The term of the lease is for two years with one two-year option. It is estimated that there will be \$19,900 worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$47,100. No relationship exists between the

parties involved in this transaction. As of September 30, 2004, the bank's ROA was 0.94% and its Tier 1 leverage capital ratio was 10.23%. The investment in total fixed assets to total

capital will be 9.35% after the establishment of the branch. The bank will continue to have sixty-one branches after the relocation. **This was approved by the Director on February 9, 2005, under delegated authority.**

2. **SAND RIDGE BANK, HIGHLAND, LAKE COUNTY, INDIANA**

The bank requested an extension of time for the opening of its branch to be located at **County Road 350 South and Concord Road, Lafayette, Tippecanoe County, Indiana.** The branch application was approved under delegated authority on December 22, 2003 with a projected opening date of November 1, 2004. Because of delays in the design phase, the selection of a builder and the weather, construction did not begin as anticipated. The projected opening date has been delayed until November 1, 2005. The bank's ROA as of December 31, 2004 was 1.23% and its Tier 1 leverage capital ratio was 7.30%. Approval to grant the bank's request for an extension until November 30, 2005 is recommended. **This was approved by the Director on February 9, 2005, under delegated authority.**

3. **UNITED COMMERCE BANK, BLOOMINGTON, MONROE COUNTY, INDIANA**

United Commerce Bank, (the "Bank") applied for approval of a Plan of Exchange (the "Plan") between the Bank and United Commerce Bancorp, Bloomington, Monroe County, Indiana ("Bancorp"), an Indiana corporation organized on January 14, 2005. The Plan provides each share of Bank common stock to be converted into one share of Bancorp common stock. The Bank has 4,000,000 shares of common stock authorized, without par value, and 3,000,000 shares of preferred stock, without par value. At the effective time of the share exchange the Bank will have 965,333 shares of common stock issued and outstanding and no shares of preferred stock issued and outstanding. Bancorp currently has 4,000,000 shares of common stock authorized, without par value, and 3,000,000 shares of preferred stock, without par value. At the effective time of the share exchange no shares of Bancorp common stock or preferred stock are issued and outstanding. Immediately thereafter, the authorized and issued common shares will consist solely of the shares issued by Bancorp upon the conversion of the Bank's stock pursuant to the Plan. The directors and officers of the Bank and Bancorp at the effective time of the plan of exchange shall continue as the directors and officers following the plan of exchange. The directors and officers of the Bank own in aggregate 291,701 or 29.23% of the outstanding Bank common stock. The Plan will be approved if a majority of the outstanding shares of Bank common stock are voted to approve the Plan. As of December 31, 2004, there were approximately 210 shareholders. The largest shareholder owns 57,500 shares (5.90%) of the outstanding common stock and therefore will own 5.90% of the outstanding Bancorp stock if the Plan is approved. Shareholders of the Bank who dissent from the Plan have the right to be paid the fair value of their shares in cash if they comply with the procedures specified in IC 28-1-7.5-8. As of December 31, 2004, the Bank had total assets of \$123 million, total deposits of \$113 million, and total equity capital of \$9.5 million. The Bank's ROA as of December 31, 2004, was 0.51% and Tier 1 leverage capital ratio was 8.03%. The Bank waived its option to have a public hearing on the fairness of the terms of the Plan of Exchange as provided in IC

28-1-7.5-5. **Approval is recommended subject to the following conditions:**

- **The Bank receive approval from the Federal Reserve Bank of Chicago, and**
- **The Plan of Exchange will be consummated within one year from the date of approval unless an extension of time is granted by the Director of the Department.**

This was approved by the Director on February 23, 2005, under delegated authority.

4. HOOSIER TRUST COMPANY, INDIANAPOLIS, MARION COUNTY, INDIANA

The corporate fiduciary applied to the Department to amend Article II Section 2 of its Articles of Incorporation. The amendment will increase the corporate fiduciary's authorized shares of capital stock from 225,000 shares to 3000,000 shares with a par value of \$1.00. This change is being made to generate additional capital for the corporate fiduciary. **This was approved by action taken by the Director on March 5, 2005.**

5. CENTIER BANK, WHITING, LAKE COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **1501 South Court Street, Crown Point, Lake County, Indiana**. The application was received on February 9, 2005. The proposed branch is a 1,450 square foot office inside a newly constructed office building. The branch is to be known as **Centier Bank**. The bank is leasing the space from an independent third party for ten years plus an option to renew for two extensions at five years each. The terms of the lease call for annual rental of \$27,300 for the first five years and \$28,668 for the last five years. It is estimated that there will be \$200,000 worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$50,000. No relationship exists between parties involved in this transaction. The bank's three-year average ROA is 1.46%. As of December 31, 2004, the bank's ROA is 1.39% and its Tier 1 leverage capital ratio is 9.28%. The investment in total fixed assets to total capital will be 14.50% after the establishment of the branch. This will be the institution's thirty-eighth branch. **This was approved by the Director on March 9, 2005, under delegated authority.**

6. CENTIER BANK, WHITING, LAKE COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **1700 West Jefferson Street, Plymouth, Marshall County, Indiana**. The application was received on February 9, 2005. The branch is to be known as **Centier Bank**. The bank intends to construct a 4,800 square foot branch banking facility. The construction cost of the building is projected at \$1,500,000. Furniture, fixtures, and equipment costs are projected at \$150,000. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.46%. As of December 31, 2004, the bank's ROA is 1.39% and its Tier 1 leverage capital ratio is 9.28%. The investment in total fixed assets to total capital will be 14.50% after the establishment of this branch. The institution will have

thirty-nine branches with the opening of this branch. **This was approved by the Director on March 9, 2005, under delegated authority.**

7. **THE FARMERS AND MERCHANTS BANK, BOSWELL, BENTON COUNTY, INDIANA**

The bank applied to the Department for approval to relocate a branch office from **307 South High Street, West Lebanon, Warren County, Indiana** to **417 North High Street, West Lebanon, Warren County, Indiana**. The application was received on February 11, 2005. The branch is to be known as **West Lebanon Branch**. The bank purchased a vacant banking building from an independent third party for \$80,000. The facility is 1,900 square feet and has three drive up lanes. It is estimated that there will be \$20,000 worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment are projected at \$20,000. No relationship exists between the parties involved in this transaction. The bank would like to sell its current location, but has no prospects at the present time. The expected date to relocate is March 21, 2005. The bank's three-year average ROA is 1.09%. As of December 31, 2004, the bank's ROA was 1.05% and its Tier 1 leverage capital ratio was 14.27%. The investment in total fixed assets to total capital will increase from 9.96% to 11.13% after the establishment of the branch. The bank will continue to have two branches after the relocation. **This was approved by the Director on March 9, 2005, under delegated authority.**

8. **FIRST FINANCIAL BANK, NATIONAL ASSOCIATION, HAMILTON, BUTLER COUNTY, OHIO**

First Financial Bank, National Association is expecting to merge with Heritage Community Bank, Columbus, Indiana. The merger is expected to occur on March 18, 2005. First Financial Bank, National Association will be the resulting bank after the merger and will retain Heritage Community Bank's branches in Indiana. In anticipation of the consummation of the mergers, an application for issuance of a certificate of admission for the surviving corporation of the mergers has been filed with the Department. This foreign corporation application is being filed to enable the surviving corporation to transact business in Indiana in accordance with the provisions of IC 28-1-22 and IC 28-2-17 as soon as the consummation occurs. David L. Mackey, 630 Central Avenue, Connersville, Fayette County, Indiana has been appointed as resident agent for service of legal process by First Financial Bank, National Association. If the merger does not consummate as planned, this application will be revoked unless extended by the Director of the Department. **A Certificate of admission was issued by the Director on March 9, 2005, under delegated authority.**

9. **MAINSOURCE BANK, GREENSBURG, DECATUR COUNTY, INDIANA**

MainSource Bank, Greensburg, Decatur County, Indiana ("MainSource") applied to the Department for approval to merge with Peoples Trust Company, Linton, Greene County, Indiana ("Peoples") pursuant to IC 28-1-7. MainSource will survive the merger. Both Peoples and MainSource are wholly owned subsidiaries of MainSource Financial Group, Inc., a multi-bank holding company headquartered in Greensburg, Indiana. After the merger, MainSource Financial Group, Inc. will have two wholly owned bank subsidiaries. The board

of directors of MainSource and Peoples approved the Agreement and Plan of Merger on January 18, 2005 and January 19, 2005, respectively. Pro-forma financial statements prepared as of December 31, 2004, reflect the resulting bank would have total assets of

\$1,351 billion and a Tier 1 capital to total assets ratio of 7.31%. The resulting bank's investment in land, building, and leasehold improvements will represent approximately 18.33% of sound capital and the investment in total fixed assets will represent approximately 14.77% of total equity capital. The three-year average Return on Assets (ROA) for MainSource and Peoples are 1.56% and 0.75%, respectively. As of December 31, 2004, MainSource's ROA and Tier 1 leverage capital ratio are 1.56% and 7.31%, respectively. Peoples ROA and Tier 1 leverage capital ratio are 1.24% and 7.89%, respectively as of December 31, 2004. The Members of the Department delegated to the Director the authority to approve the merger of two banks owned by the same holding company on August 12, 2004. **This was approved by the Director on April 6, 2005, under delegated authority.**

10. DEMOTTE STATE BANK, DEMOTTE, JASPER COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **175 North Main Street, Kouts, Porter County, Indiana**. The application was received on January 31, 2005. The branch is to be known as **Kouts Banking Center**. The proposed branch is a 1,000 square foot office inside a Tysen's Country Grocery. The applicant is leasing the space from an independent third party with an annual rental of \$11,400.00. The term of the lease is for five years with two ten-year options. It is estimated that there will be \$150M worth of leasehold improvements to make the site into a banking facility. Furniture, fixtures, and equipment costs are projected at \$100M. No relationship exists between the parties involved in this transaction. The bank's three-year average ROA is 1.15%. As of December 31, 2004, the bank's ROA was 1.11% and its Tier 1 leverage capital ratio was 9.50%. The investment in total fixed assets to total capital will increase from 10.70% to 14.35% after both the establishment of the branch and the branch relocation. The bank will have nine branches after the relocation. **This was approved by the Director on April 6, 2005, under delegated authority.**

11. DEMOTTE STATE BANK, DEMOTTE, JASPER COUNTY, INDIANA

The bank applied to the Department for approval to relocate a branch office from **9603 West 133rd Avenue, Cedar Lake, Lake County, Indiana** to **10119 West 133rd Avenue, Cedar Lake, Lake County, Indiana**. The application was received on January 31, 2005. The branch is to be known as **Cedar Lake Banking Center**. The bank proposes to build a 3,000 square foot new modern facility. The estimated cost for constructing the new branch is \$750M. Furniture, fixtures, and equipment costs are projected at \$48M. No relationship exists between the parties involved in this transaction. The bank will lease the current branch on a month-to-month basis until the proposed branch is ready. The expected date to relocate is October 1, 2005. The bank's three-year average ROA is 1.15%. As of December 31, 2004, the bank's ROA was 1.11% and its Tier 1 leverage capital ratio was 9.50%. The investment in total fixed assets to total capital will increase from 10.70% to 14.35% after both the establishment of the branch and the branch relocation. The bank will have nine branches after the relocation. **This was approved by the Director on April 6, 2005, under**

delegated authority.

12. CENTREBANK, VEEDERSBURG, FOUNTAIN COUNTY, INDIANA

The bank applied to the Department for approval to establish a branch office to be located at **20 East State Street, Kingman, Fountain County, Indiana**. The application was received on March 7, 2005. The branch is to be known as **CentreBank**. The proposed branch is a 1,380 square foot existing branch banking facility. The bank will purchase the land and building from President Ronald D. Manning for \$65M, the exact same amount President Manning purchased the land and building from Old National Bank, Evansville, Indiana. Furniture, fixtures, and equipment costs are projected at \$15M. The bank's three-year average ROA is 0.69%. As of December 31, 2004, the bank's ROA was 0.76% and its Tier 1 leverage capital ratio was 11.57%. The investment in total fixed assets to total capital will be 8.79% after the establishment of the branch. This will be the institution's fourth branch. **This was approved by the Director on April 6, 2005, under delegated authority.**

13. BANTERRA BANK, ELDORADO, SALINE COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from Banterra Bank, Eldorado, Saline County, Illinois ("Banterra"). Banterra filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-1-22. The bank intends to open a loan production office in Evansville, Indiana. Banterra is a Illinois state chartered commercial bank. Seth P. Allen, 3315 N. Green River Road, Evansville, Vanderburgh County, Indiana has been appointed as resident agent for service of legal process by Banterra. **A Certificate of Admission was issued by the Director on April 6, 2005, under delegated Authority.**

14. PROVIDENCE BANK, LLC, SOUTH HOLLAND, COOK COUNTY, ILLINOIS

An application for issuance of a certificate of admission was received from Providence Bank, LLC, South Holland, Cook County, Illinois ("Providence"). Providence filed the application to enable it to transact business in Indiana in accordance with the provisions of IC 28-2-18 and IC 28-1-22. The bank intends to conduct banking activity through branches in Dyer, Indiana and Munster, Indiana. On August 20, 2004, the Governor of Illinois signed an amendment to The Illinois Banking Act to allow interstate branching. The effective date of the bill was August 20, 2004. Providence is an Illinois state chartered commercial bank. Steven G. Van Drumen, 12595 State Line Road, Cedar Lake, Lake County, Indiana has been appointed as resident agent for service of legal process by Providence. **A Certificate of Admission was issued by the Director on April 6, 2005, under delegated authority.**

15. NORTHPARK COMMUNITY CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed persons who reside or are employed within the following communities into the field of membership

of the credit union:

Pike Township, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

Boone County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10). **This was approved by the Director on February 11, 2005, under delegated authority.**

16. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Berrien Springs Public Schools – Berrien Springs, MI – 225 members (common bond of occupation as defined by 28-7-1-10).

National-Standard – Niles, MI – 238 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on February 28, 2005, under delegated authority.**

17. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Benefit Associates – Indianapolis – 3 members (common bond of occupation as defined by 28-7-1-10).

Christian Foundation – Indianapolis - 1 member (common bond of occupation as defined by 28-7-1-10).

Kahn's Fine Wine Market Place – Indianapolis – 75 members (common bond of occupation as defined by 28-7-1-10).

Indiana School for the Deaf – Indianapolis – 300 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on March 2, 2005, under delegated authority.**

18. INDIANA MEMBERS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Allison Transmission – Indianapolis – 5000 members (common bond of occupation as defined by 28-7-1-10).

APL Logistics – Indianapolis – 360 members (common bond of occupation as defined by 28-7-1-10).

Beech Grove City Schools – Beech Grove – 250 members (common bond of occupation as defined by 28-7-1-10).

Canteen Vending – Indianapolis – 60 members (common bond of occupation as defined by 28-7-1-10).

Gateway Medical Resource Alliance – Indianapolis – 8 members (common bond of occupation as defined by 28-7-1-10).

Hoosier Trim Products, Inc. – Indianapolis – 28 members (common bond of occupation as defined by 28-7-1-10).

JC Penney, Plainfield SSC - Plainfield – 260 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on March 2, 2005, under delegated authority.**

19. STATE MERIT SERVICE CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organization into the field of membership of the credit union:

Bureau of Motor Vehicles – Indianapolis – 443 member (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on March 21, 2005, under delegated authority.**

20. KEMBA INDIANAPOLIS CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed persons who reside or are employed within the following communities into the field of membership of the credit union:

Franklin Township, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

Warren Township, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

Center Township, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10). **This was approved by the Director on March 22, 2005, under delegated authority.**

21. FORUM CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to

add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

City Auto & Tire, Inc. – Benton Harbor, MI – 4 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on April 6, 2005, under delegated authority.**

22. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

J.A.C. Custom Pouches, Inc. – Dowagiac, MI – 30 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on April 6, 2005, under delegated authority.**

23. NATOC CREDIT UNION, RICHMOND, WAYNE COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed the following organizations into the field of membership of the credit union:

Southside Heating Supply, Co. – Richmond – 10 members (common bond of occupation as defined by 28-7-1-10).

Automated Controls & Electrical Supply, LLC – Richmond – 6 members (common bond of occupation as defined by 28-7-1-10).

JMC Restaurant Distribution, Inc. – Coppell, TX – 8 members (common bond of occupation as defined by 28-7-1-10).

Employees of the Town of Centerville – Centerville – 50 members (common bond of occupation as defined by 28-7-1-10).

Mervis Motors, Inc. – Richmond – 68 members (common bond of occupation as defined by 28-7-1-10). **This was approved by the Director on April 6, 2005, under delegated authority.**

24. TEACHERS CREDIT UNION, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA

The credit union requested approval of a Petition for approval of a proposed Amendment to the Articles of Incorporation. Pursuant to IC 28-7-1-10 (which allows a credit union to add one or more qualified groups to its field of membership.) This amendment placed persons who reside or are employed within the following communities into the field of membership of the credit union:

Howard County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

Clinton County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

Tipton County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10).

White County, Indiana (common bond of community residence or employment within a community as defined by 28-7-1-10). **This was approved by the Director on April 6, 2005, under delegated authority.**

25. **Access Cash Advance of Indiana, LLC / d/b/a Access Cash Advance** requested a consumer loan license. Applicant is based in Irving, Texas. They will be making small single pay, short-term loans under IC 24-4.5-7. They will be servicing their loans. They currently operate in Louisiana. Kevin Blenman, President; Paxton White, Secretary, came for a small loan license interview on February 2, 2005. Deputy Director John J. Schroeder, Division Supervisor Mark B. Tarpey, and Field Supervisors Rick A. Bane and Robert W. Benbow represented the Department. Mr. Blenman has had vast experience in the payday loan industry, previously working in supervisory positions for both Allied Cash Advance and Advance America. Background checks did not reveal any problems with Louisiana regulators, the only state where the parent company now makes payday loans. Supervisor Tarpey reviewed several payday lending issues. The main points emphasized were the cycle of debt, income requirements to qualify for the loan, and collection practices. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**
26. **Alpine Lending, LLC** requested a consumer loan license. Applicant is based in Phoenix, Arizona. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 8 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**
27. **Apex Lending, Inc.** requested a consumer loan license. Applicant is based in Indian Shores, Florida. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by attorneys/title companies. They currently operate in 5 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended

for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**

28. **Assurafirst Financial Company** requested a consumer loan license. Applicant is based in Southfield, Michigan. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 7 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**
29. **Central Pacific Mortgage Company** requested a consumer loan license. Applicant is based in Folsom, California. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 18 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**
30. **Lime Financial Services, LTD** requested a consumer loan license. Applicant is based in Lake Oswego, OR. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 21 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**
31. **Network Funding LP** requested a consumer loan license. Applicant is based in Houston, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in 17 states. The staff's review finds that the financial responsibility, character and fitness of the applicant are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on February 8, 2005, under delegated authority.**
32. **Available Mortgage Funding, LLC** requested a consumer loan license. Applicant is based in Dallas, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title company/attorneys. They currently operate in 18 states. The staff's review finds that the financial responsibility, character and fitness of the applicant and members of the applicant are such as to warrant belief that the business will be

operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**

33. **David Mortgage, Inc. /d/b/a Barnaclo Home Loans** requested a consumer loan license. Applicant is based in Cincinnati, Ohio. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in two states. They will have a location in Greenwood, Indiana. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**
34. **FMF Capital, LLC /d/b/a FMF Lending** requested a consumer loan license. Applicant is based in Southfield, Michigan. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in four states. Principals are currently licensed under Loan License # 1733, Michigan Fidelity Acceptance Corporation. This entity will be surrendering their loan license once the new entity is fully operational. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the members are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**
35. **Maverick Residential Mortgage, Inc.** requested a consumer loan license. Applicant is based in Frisco, Texas. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in twelve states. They will have a location in Greenwood, Indiana. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**
36. **Summit Mortgage Corporation /d/b/a Summit Home Mortgage, Inc.** requested a consumer loan license. Applicant is based in Plymouth, MN. They will be making second mortgage loans. They will not be servicing their loans. Loans will be closed by title companies. They currently operate in thirty-five states. They will have a location in Vincennes, Indiana. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**

37. **Tammac Holdings Corporation** requested a consumer loan license. Applicant is based in WilkesBarne, PA. They will be making direct loans on refinance manufactured housing. They will be servicing their loans. Loans will be closed by manufactured housing dealers.

They currently operate in fifteen states. They are currently licensed under Loan License #9753, Tammac Corporation. Formation of a new entity with new principals is the reason for a new loan license application. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-3-503(2). Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**

38. **The Money Place of Vincennes, Inc.** requested a consumer loan license. Applicant is based Vincennes, Indiana. They will be making single pay, short-term, payday type loans. They will be servicing their loans. Division Supervisor Mark B. Tarpey, And Field Supervisors Rick A. Bane and Robert W. Benbow met with Mr. Ellis Falkoff, CEO on March 15, 2005. Mr. Falkoff has been associated with the payday loan industry through management/ownership of state licensed limited liability companies for each state operating in Tennessee, Kentucky, and Illinois. Mr. Falkoff's companies currently have 1 location in TN and KY and 8 locations in IL. Mr. Falkoff is from the northwest portion of Tennessee and is associated with other types of businesses, including telephone services.

Background checks did not reveal any problems with Tennessee regulators. Mr. Falkoff stated they chose Indiana because of the law currently in effect, their perception of limited competition, rates, and geographic concerns. They intend to operate more branches in Indiana at some time in the future, but have not yet identified where. They prefer to operate in communities of 30,000 or less. Mr. Falkoff appeared to be very well versed regarding the payday lending industry and statutory requirements, and asked numerous questions pertinent to compliance and acceptable practices. Supervisor Tarpey reviewed several payday lending issues. The main points emphasized were the cycle of debt, income requirements to qualify for the loan, and collection practices. Mr. Falkoff was referred to the Department's Website regarding the Department's position on the use of the court system to collect accounts. The staff's review finds that the financial responsibility, character and fitness of the applicant and of the officers and directors are such as to warrant belief that the business will be operated honestly and fairly within the purposes of IC 24-4.5 and as stipulated in IC 24-4.5-7. Applicant is recommended for approval. **This was approved by the Director on April 4, 2005, under delegated authority.**

39. **CUNA Mutual Insurance Agency, Inc. /d/b/a Member's Choice** requested approval as third party administrator for a Guaranteed Auto Protection (GAP) Program. Applicant is based in Madison, Wisconsin. CUNA Mutual had inadvertently written 123 GAP agreements prior to approval by the Department. Those customers will be given a new free look period. All future Gap waivers after March 31, 2005 will be offered through CUMIS Insurance on a GAP product that was approved by DFI on November 8, 2004. Maximum

charge to customer is \$295. There is a 60 day free look period. Customer's deductible is covered up to \$1000. Refund upon prepayment is based on the "Rule of 78'ths." Customer will finance at least 80% financing of MSRP for a new vehicle and NADA average retail value for a used auto. The initial dealer requesting approval is Members Advantage Credit Union. All future

creditors/dealers will agree to abide by the same terms as those approved. The staff's review finds that the charge would be of benefit to the consumer and is reasonable in relation to the benefits a provided for under IC 24-4.5-2-202(1)/3-202(1) (e). Approval is subject to review at a future date as deemed necessary by the Department. It is recommended that the program be approved as submitted and subject to the above conditions. **This was approved by the Director on April 4, 2005, under delegated authority.**

CERTIFICATION:

The Department certifies that the business discussed in the Executive Session was limited only to business that was set out in the Department's Notice of Meeting and Agenda under the heading of "Executive Session." All action taken by the Department, if any, relating to the business discussed in the Executive Session was conducted in the Public Session.

APPROVED:

ATTEST:

Minutes of Member's Meeting

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David A. Bochnowski, Chairman

J. Philip Goddard, Secretary